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THE REPORT OF THE

**STATE OF SOUTH CAROLINA  
OFFICE OF THE ATTORNEY GENERAL**

***INSURANCE FRAUD DIVISION***

**2002 ANNUAL REPORT**



**January, 2003**

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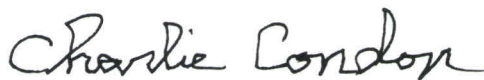
**STATE DOCUMENTS**

## **GREETINGS**

As Attorney General of South Carolina, I am deeply concerned about insurance fraud and its effect on the citizens and businesses of our state. Insurance fraud costs each South Carolinian almost \$1,000.00 a year in out-of-pocket costs along with higher insurance premiums.

I am dedicated to stopping these illegal activities and prosecuting these cases. It must be made clear that Insurance Fraud is a crime which cannot be tolerated.

I hope that you will work with me in fighting insurance fraud in South Carolina. Working together will enable us to reduce the cost of insurance fraud for the citizens of South Carolina.

A handwritten signature in black ink that reads "Charlie Condon". The signature is fluid and cursive, with the first name "Charlie" and last name "Condon" clearly distinguishable.

Charlie Condon  
Attorney General

## ***Preface***

Please find herewith the Insurance Fraud Division Annual Report for calendar year 2002.

The year presented many changes including the Insurance Fraud Division's concentration on groups of organized insurance fraud activity as well as our continued prosecution of individuals committing insurance fraud. One major change was the added duty of prosecuting "Glass Couponing," a new law that became effective April 22, 2002. (See page 24 for copy of statutes)

Public Awareness and aggressive prosecution in the lower part of South Carolina has helped to decrease fires in Colleton County 44%. In addition this year, our office and the National Insurance Crime Bureau have collaborated in allowing on-line insurance fraud reporting for their member companies in South Carolina. On-line reporting allows for enhanced cooperation and communication between Special Investigation Units, Law Enforcement and National Insurance Crime Bureau Agents.

The Insurance Fraud Division continues to aggressively prosecute insurance fraud violations with the full investigative cooperation of the State Law Enforcement Division.

## **INTRODUCTION**

In 1994, the General Assembly passed the Omnibus Insurance Fraud and Reporting Immunity Act, and it was signed into law on July 4, 1994 by Governor Campbell. Its purpose is to confront the widespread occurrence of insurance fraud in our state, enabling its investigation and prosecution.

This law established the Insurance Fraud Division of the Attorney General's office. It directs the State Law Enforcement Division to investigate cases of insurance fraud, and mandates the prosecution of those cases by the Attorney General.

South Carolina's law states that:

"...any person, insurer or authorized agency having reason to believe that another has made a false statement or misrepresentation or has knowledge of a suspected false statement or misrepresentation shall, for purposes of reporting and investigation, notify the Insurance Fraud Division of the Office of the Attorney General of the knowledge and belief and provide any additional information within his possession relative thereto."

The Insurance Fraud Division receives referrals from the S.C. Department of Insurance, the Workers' Compensation In Commission, insurance companies, law enforcement agencies, attorneys, and private citizens.

The Division consists of a Director and one Assistant Attorney General, who work under the director of the Chief Deputy Attorney General and the Attorney General. The Director of the Insurance Fraud Division, Assistant Deputy Attorney General Michelle Gowdy, is located in the Columbia office. Assistant Attorney General John Bowden is located in the Greenville satellite office.



## CUMULATIVE STATISTICS OF THE INSURANCE FRAUD DIVISION

TOTAL FILES OPENED	3613
TOTAL COMPLAINTS UNFOUNDED	2231
CRIMINAL CONVICTIONS	595
CIVIL REMEDIES	305

<b>Type of Fraud</b>	<b>Amount Reported</b>
Premium Fraud	\$5,756,099.19
Disability	\$4,518,564.90
Auto Insurance	\$7,159,050.99
Workers' Compensation	\$4,728,474.00
Life Insurance	\$7,184,526.43
Health Insurance	\$4,394,664.19
Personal Property	\$10,656,059.71
Other	\$2,128,229.63
<b>TOTAL</b>	<b><u>\$46,525,669.04</u></b>

<b>Monies Collected</b>	
Criminal Fines	\$272,302.03
Criminal Restitution	\$2,104,463.64
Civil Penalties	\$881,472.19
Civil Restitution	\$778,982.99
<b>Total</b>	<b><u>\$4,037,220.85</u></b>

## **SUMMARY**

### *Status of Cases – 2002*

#### **Complaints**

Received	914
Complaints Unfounded*	498
Complaints Referred to Other Agencies	146
Files Opened	270

*\*Several of the unfounded complaints are files, which were already being investigated.*

#### **Current Cases on Docket**

Files Open	448
Under Investigation by SLED	312

#### **Indicted Cases**

True Bills	104
No Bills	2
Pending Indictments	104

#### **Cases Disposed Of**

Criminal Convictions	98
Civil Remedies	55

## **MONIES COLLECTED IN 2002**

### *Civil Penalties, Fines and Restitution*

The following tables indicate the amounts of fines, penalties, restitution and attorneys' fees that have been ordered paid by the Courts or by a Memorandum of Understanding.

#### **Monies Ordered Paid By Court**

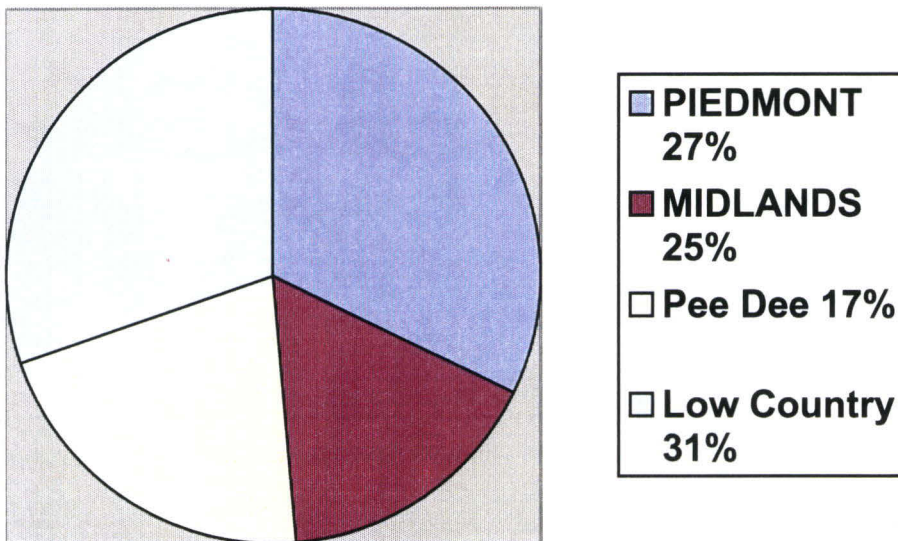
2002 Criminal Fines Collected	\$1,417.08
2002 Civil Fines	\$900.00
Prior Criminal Fines Collected in 2002	\$710.00
Prior Civil Fines Collected in 2002	\$1,755.00
2002 Restitution Ordered	\$163,136.43
<b>TOTAL</b>	<b><u>\$167,918.51</u></b>

#### **By Civil Penalties**

Penalties	\$45,600.00
Attorneys' Fees	\$500.00
Restitution	\$77,104.09
<b>TOTAL</b>	<b><u>\$123,204.09</u></b>

## BREAKDOWN OF CASES BY REGION

During 2002, the Insurance Fraud Division of the Attorney General's office opened 270 cases. As the chart below indicates, reports were received from all areas of the state:



REGION	NUMBER OF CASES	PERCENT OF TOTAL
Low Country	84	31%
Piedmont	73	27%
Midlands	68	25%
Pee Dee	45	17%



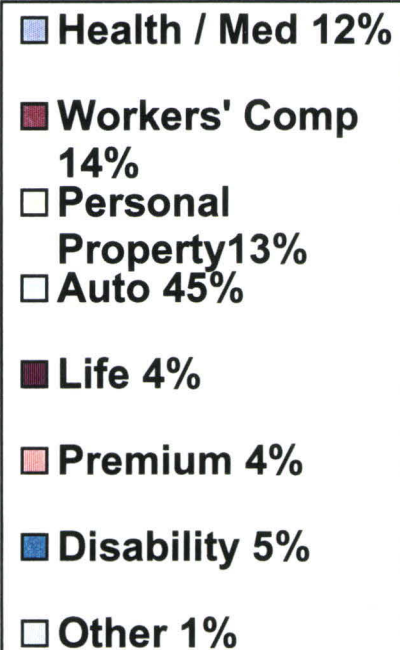
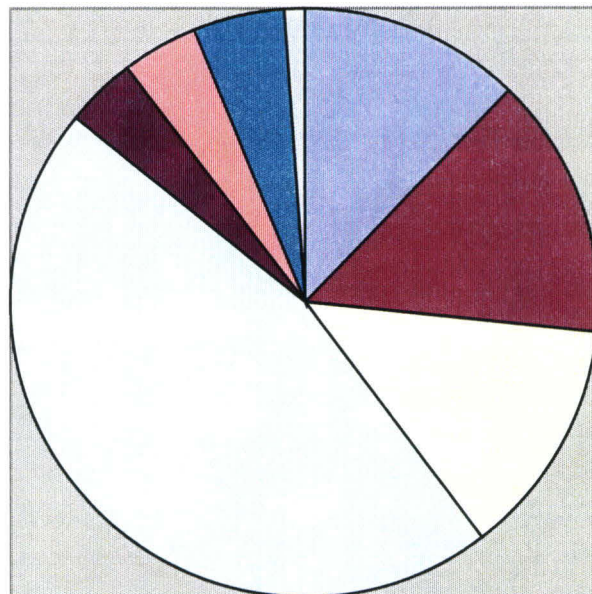
## BREAKDOWN OF CASES BY TYPE

The reports of fraud received during 2002 by the Insurance Fraud Division consisted of the following types of cases:

Type of Fraud	Number of Cases	Percentage of Total	Amount Reported
Health / Medical	113	12%	\$684,654.35
Workers' Comp.	132	14%	\$286,824.21
Personal Property	116	13%	\$2,678,968.78
Automobile	409	45%	\$1,738,482.61
Life Insurance	38	4%	\$1,004,871.08
Premium Fraud	36	4%	\$770,490.18
Disability	48	5%	\$1,238,652.80
Other	22	2%	\$11,442.86
<b>Total</b>	<b>914</b>		<b><u>\$8,414,386.87</u></b>

*Note: Tables may show cases reported with no corresponding dollar amounts. In these cases, no dollar amount can be determined, or the claim has been withdrawn or denied.*

**Breakdown of Cases by Type of Fraud – 2002**



## ABBEVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	3	\$21,882.08	
Workers' Comp.	1		
<b>TOTAL</b>	<b>4</b>	<b>\$21,882.08</b>	<b>0</b>

## AIKEN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	5	\$12,034.41	1
Disability	1	\$1,000,000.00	3
Workers' Comp.	1		1
Premium Fraud			1
Medical/Health	1		
Life Insurance	2		
Personal Property	3	\$1,676.00	
Other	1		
<b>TOTAL</b>	<b>14</b>	<b>\$1,013,710.41</b>	<b>6</b>

*\*4 files were opened in 2002*

## ALLENDALE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Personal Property	1	\$70,000.00	1
Disability	0		1
<b>TOTAL</b>	<b>1</b>	<b>\$70,000.00</b>	<b>2</b>

*\*1 file was opened in 2002*

## ANDERSON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	13	\$83,878.97	
Disability	1	\$11,344.85	
Workers' Comp.	8	\$41,489.00	
Premium Fraud	2		1
Medical/Health	4	\$110.00	
Life Insurance	2	\$150,000.00	
Personal Property	10	\$235,515.00	
Other	0		
<b>TOTAL</b>	<b>40</b>	<b>\$522,337.82</b>	<b>1</b>

*\*4 files were opened in 2002*

## BAMBERG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	7	\$24,087.00	5
Workers' Comp.	1		2
Premium Fraud	1	\$4,000.00	
Medical/Health			1
<b>TOTAL</b>	<b>9</b>	<b>\$28,087.00</b>	<b>8</b>

*\*2 files were opened in 2002*

## BARNWELL COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	2	\$16,100.00	1
Workers' Comp.	2		1
Life Insurance	1		
Personal Property	1	\$53,000.00	1
<b>TOTAL</b>	<b>6</b>	<b>\$69,100.00</b>	<b>3</b>

*\*1 file opened in 2002*

## BEAUFORT COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	6	\$32,243.61	3
Disability	1		1
Workers' Comp.			1
Premium Fraud	1	\$373.00	1
Medical/Health	10	\$270,931.75	1
Personal Property	2		2
<b>TOTAL</b>	<b>20</b>	<b>\$303,548.36</b>	<b>9</b>

*\*3 files opened in 2002*

## BERKELEY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	14	\$14,421.00	17
Disability	1	\$15,700.00	
Workers' Comp.	3		1
Premium Fraud	2	\$581,098.94	2
Medical/Health	3	\$2,500.00	1
Personal Property	4	\$179,083.00	2
<b>TOTAL</b>	<b>27</b>	<b>\$792,802.94</b>	<b>23</b>

*\*16 files were opened in 2002*

## CALHOUN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	2	\$157,663.00	4
Workers' Comp.	1	\$2,500.00	
Medical/Health	1	\$70,000.00	
Personal Property			1
<b>TOTAL</b>	<b>4</b>	<b>\$230,163.00</b>	<b>5</b>

*\*2 files were opened in 2002*



## CHARLESTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	23	\$122,643.32	26
Disability	3	\$11,251.92	3
Workers' Comp.	6	\$128,156.00	3
Premium Fraud			2
Medical/Health	15	\$247,309.67	3
Life Insurance	3		
Personal Property	4	\$20,300.00	7
<b>TOTAL</b>	<b>54</b>	<b>\$529,660.91</b>	<b>44</b>

*\*15 files were opened in 2002*

## CHEROKEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	4	\$26,614.71	2
Workers' Comp.	2		1
Medical/Health	3	\$1,731.00	
<b>TOTAL</b>	<b>9</b>	<b>\$28,345.71</b>	<b>3</b>

*\*4 files were opened in 2002*

## CHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	4	\$8,561.13	4
Medical/Health	1		2
Personal Property	1	\$98,000.00	
Other			3
<b>TOTAL</b>	<b>6</b>	<b>\$106,561.13</b>	<b>9</b>

*\*14 files were opened in 2002*

## CHESTERFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	1		1
Disability	1	\$13,760.00	
<b>TOTAL</b>	<b>2</b>	<b>\$13,760.00</b>	<b>1</b>

*\*2 files were opened in 2002*

## CLARENDON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	2	\$16,044.34	2
Workers' Comp.	3	\$1,648.91	
Personal Property			1
<b>TOTAL</b>	<b>5</b>	<b>\$17,693.25</b>	<b>3</b>

*\*1 file was opened in 2002*

## COLLETON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	12	\$67,532.01	8
Disability	1	\$7,684.57	3
Workers' Comp.	1		
Medical/Health	2	\$2,500.00	1
Life Insurance	2		
Personal Property	4	\$152,867.00	9
<b>TOTAL</b>	<b>22</b>	<b>\$230,583.58</b>	<b>21</b>

*\*10 files were opened in 2002*

## DARLINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	5	\$992.16	3
Medical/Health	3	\$13,695.00	
Life Insurance	1		
Personal Property	3		
<b>TOTAL</b>	<b>12</b>	<b>\$14,687.16</b>	<b>3</b>

*\*1 file was opened in 2002*

## DILLON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	7	\$26,541.60	6
Life Insurance	2	\$299,998.00	1
Personal Property	3	\$4,000.00	
<b>TOTAL</b>	<b>12</b>	<b>\$330,539.60</b>	<b>7</b>

*\*7 files opened in 2002*

## DORCHESTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	20	\$106,354.37	8
Disability	2	\$15,215.36	3
Workers' Comp.	7		3
Premium Fraud			1
Medical/Health	1		2
Life Insurance	1		
Personal Property	2	\$32,000.00	3
<b>TOTAL</b>	<b>33</b>	<b>\$153,569.73</b>	<b>20</b>

*\*11 files opened in 2002*

## EDGEFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance			1
Workers' Comp.	1		
<b>TOTAL</b>	<b>1</b>	<b>\$0.00</b>	<b>1</b>

*\*No files opened in 2002*

## FAIRFIELD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	7	\$28,997.29	1
Workers' Comp.	1		
Medical/Health	1		
Personal Property	3	\$62,454.25	
<b>TOTAL</b>	<b>12</b>	<b>\$91,451.54</b>	<b>1</b>

*\*2 files opened in 2002*

## FLORENCE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	20	\$37,400.76	9
Workers' Comp.	2		1
Premium Fraud	1	\$6,525.85	1
Medical/Health	3		2
Life Insurance	2	\$40,000.00	
Personal Property	7	\$141,833.00	5
Other	1		
<b>TOTAL</b>	<b>36</b>	<b>\$225,759.61</b>	<b>18</b>

*\*1 file was opened in 2002*

## GEORGETOWN COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	8	\$5,326.54	7
Workers' Comp.	7		2
Premium Fraud	2	\$7,705.23	2
Medical/Health	1		
Life Insurance	1	\$9,000.00	
Personal Property	2	\$15,000.00	
<b>TOTAL</b>	<b>21</b>	<b>\$37,031.77</b>	<b>11</b>

*\*3 files were opened in 2002*

## GREENVILLE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	39	\$210,561.81	10
Disability	3		
Workers' Comp.	13	\$9,300.00	
Premium Fraud	6	\$74,628.75	
Medical/Health	12	\$4,250.00	
Life Insurance	4	\$44,800.00	
Personal Property	6	\$82,000.00	
Other	4	\$5,120.00	2
<b>TOTAL</b>	<b>87</b>	<b>\$430,660.56</b>	<b>12</b>

*\*27 files were opened in 2002*



## GREENWOOD COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	4	\$12,125.00	
Disability	1	\$5,040.43	
Workers' Comp.	4		
Premium Fraud	1	\$29,124.25	1
Medical/Health	3	\$1,000.00	
Life Insurance	1	\$100,000.00	
Personal Property	1		
<b>TOTAL</b>	<b>15</b>	<b>\$147,289.68</b>	<b>1</b>

*\*2 files were opened in 2002*

## HAMPTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	2	\$3,175.00	2
Workers' Comp.	1		1
Medical/Health			2
<b>TOTAL</b>	<b>3</b>	<b>\$3,175.00</b>	<b>5</b>

*\*4 files were opened in 2002*

## HORRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	28	\$97,394.43	12
Disability	3	\$1,238.70	2
Workers' Comp.	12	\$69,449.00	3
Premium Fraud	4	\$63,768.10	2
Medical/Health	3		2
Personal Property	9	\$564,800.00	2
Other	1		
<b>TOTAL</b>	<b>60</b>	<b>\$796,650.23</b>	<b>23</b>

*\*8 files were opened in 2002*

## JASPER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance			4
Disability	2	\$405.00	
Workers' Comp.	1		1
Personal Property	2	\$88,500.00	
<b>TOTAL</b>	<b>5</b>	<b>\$88,905.00</b>	<b>5</b>

*\*3 files were opened in 2002*

## KERSHAW COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	2	\$3,103.64	6
Disability	3	\$15,524.91	
Workers' Comp.	2		1
Medical/Health	2	\$1,782.72	
Personal Property	2	\$12,511.13	1
Other			1
<b>TOTAL</b>	<b>11</b>	<b>\$32,922.40</b>	<b>9</b>

*\*2 files were opened in 2002*

## LANCASTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	7	\$2,770.59	1
Workers' Comp.	4	\$22,164.61	1
Medical/Health	2		
<b>TOTAL</b>	<b>13</b>	<b>\$24,935.20</b>	<b>2</b>

*\*No files were opened in 2002*

## LAURENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	4	\$10,372.28	1
Workers' Comp.			1
Personal Property	1		
<b>TOTAL</b>	<b>5</b>	<b>\$10,372.28</b>	<b>2</b>

*\*7 files were opened in 2002*

## LEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	1	\$671.00	
Personal Property			1
<b>TOTAL</b>	<b>1</b>	<b>\$671.00</b>	<b>1</b>

*\*1 file was opened in 2002*

## LEXINGTON COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	20	\$65,248.61	11
Disability	1		
Workers' Comp.	9	\$837.00	6
Premium Fraud	2		2
Medical/Health	5		4
Life Insurance	1		
Personal Property	10	\$151,030.00	2
Other			1
<b>TOTAL</b>	<b>48</b>	<b>\$217,115.61</b>	<b>26</b>

*\*12 files opened in 2002*

## MARION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	3	\$12,880.95	1
Disability	1		
Workers' Comp.	3		
Personal Property	4	\$6,037.80	5
<b>TOTAL</b>	<b>11</b>	<b>\$18,918.75</b>	<b>6</b>

*\*15 files opened in 2002*



## MARLBORO COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	1		
Disability	1		
<b>TOTAL</b>	<b>2</b>	<b>\$0.00</b>	<b>0</b>

*\*No files opened in 2002*

## McCORMICK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
<b>TOTAL</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>

*\*No files opened in 2002*

## NEWBERRY COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	4	\$1,493.80	
Workers' Comp.	1		
Premium Fraud	1		
Medical/Health	1	\$1,500.00	
Personal Property	1	\$22,830.00	
<b>TOTAL</b>	<b>8</b>	<b>\$25,823.80</b>	<b>0</b>

*\*1 file opened in 2002*

## OCONEE COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	3	\$32,000.00	1
Disability			1
Workers' Comp.	1		
Medical/Health	3	\$214.00	
Personal Property	3		
Other	1		
<b>TOTAL</b>	<b>11</b>	<b>\$32,214.00</b>	<b>2</b>

*\*1 file opened in 2002*



## ORANGEBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	15	\$49,594.25	21
Disability	3	\$9,000.00	5
Workers' Comp.	4	\$9,637.66	1
Medical/Health	1		2
Life Insurance	3	\$250,000.00	
Personal Property	2	\$84,431.00	2
<b>TOTAL</b>	<b>28</b>	<b>\$402,662.91</b>	<b>31</b>

*\*10 files opened in 2002*

## PICKENS COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	8	\$35,734.68	1
Premium Fraud	1		
Medical/Health	3	\$5,000.00	
Personal Property	3	\$72,704.70	
Other	1		
<b>TOTAL</b>	<b>16</b>	<b>\$113,439.38</b>	<b>1</b>

*\*3 files were opened in 2002*

## RICHLAND COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	43	\$169,060.22	41
Disability	6	\$21,266.40	3
Workers' Comp.	12	\$1,642.03	7
Premium Fraud	6	\$3,266.06	5
Medical/Health	10	\$16,115.60	5
Life Insurance	2	\$100,000.00	1
Personal Property	4	\$6,011.29	14
Other			4
<b>TOTAL</b>	<b>83</b>	<b>\$317,361.60</b>	<b>80</b>

*\*32 files were opened in 2002*

## SALUDA COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	1		
Workers' Comp.	1		
Medical/Health	1		
<b>TOTAL</b>	<b>3</b>	<b>\$0.00</b>	<b>0</b>

*\*No files were opened in 2002*

## SPARTANBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	19	\$73,578.74	4
Disability	4	\$14,954.20	
Workers' Comp.	7		
Premium Fraud	2		
Medical/Health	9	\$8,353.00	
Life Insurance	3	\$10,000.00	1
Personal Property	5	\$75,790.00	
Other			1
<b>TOTAL</b>	<b>49</b>	<b>\$182,675.94</b>	<b>7</b>

*\*16 files were opened in 2002*

## SUMTER COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	10	\$62,141.60	12
Disability		**\$7,205.26	
Premium Fraud	2		
Life Insurance	3	\$1,073.08	1
Personal Property	5	\$70,000.00	4
<b>TOTAL</b>	<b>20</b>	<b>\$140,419.94</b>	<b>17</b>

*\*12 files were opened in 2002*

*\*\*Counted as Life Insurance for "Type" Purposes and Disability for Monetary.*

## UNION COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Disability	1		
<b>TOTAL</b>	<b>1</b>	<b>\$0.00</b>	<b>0</b>

*\*No files were opened in 2002*

## WILLIAMSBURG COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	3	\$10,660.00	
Disability	1	\$3,904.48	
Workers' Comp.	2		
Life Insurance	1		2
Personal Property	1	\$15,000.00	2
<b>TOTAL</b>	<b>8</b>	<b>\$29,564.48</b>	<b>4</b>

*\*2 files were opened in 2002*

## YORK COUNTY

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	14	\$72,878.93	5
Disability	2	\$50,000.00	
Workers' Comp.	3		
Premium Fraud	1		
Medical/Health	3		
Life Insurance	1		
Personal Property	6	\$166,594.61	
Other	1		
<b>TOTAL</b>	<b>31</b>	<b>\$289,473.54</b>	<b>5</b>

*\*7 files were opened in 2002*

## OTHER

Type of Fraud	Number of Complaints	Total Amount Reported	Files Pending
Auto Insurance	12	\$3,718.78	
Disability	4	\$35,156.72	
Workers' Comp.	3		
Premium Fraud	2		
Medical/Health	5	\$37,661.61	
Life Insurance	2		
Personal Property	4	\$195,000.00	
Other	13	\$6,322.86	1
<b>TOTAL</b>	<b>45</b>	<b>\$277,859.97</b>	<b>1</b>

*\*1 file was opened in 2002*



# **SELECTED STATUTES FROM THE SOUTH CAROLINA CODE OF LAWS PERTAINING TO THE INVESTIGATION AND PROSECUTION OF INSURANCE FRAUD and GLASS COUPONING**

## **§ 38-55-530. Definitions.**

As used in this article:

(A) "Authorized agency" means any duly constituted criminal investigative department or agency of the United States or of this State; the Department of Insurance; the Department of Revenue; the Department of Public Safety; the Workers' Compensation Commission; the State Accident Fund; the Second Injury Fund; the Employment Security Commission; the Department of Consumer Affairs; the Human Affairs Commission; the Department of Health and Environmental Control; the Department of Social Services; the Department of Health and Human Services; the Department of Labor, Licensing and Regulation; all other state boards, commissions, and agencies; the Office of the Attorney General of South Carolina; or the prosecuting attorney of any judicial circuit, county, municipality, or political subdivision of this State or of the United States, and their respective employees or personnel acting in their official capacity.

(B) "Insurer" shall have the meaning set forth in Section 38-1-20(25) and includes any authorized insurer, self-insurer, reinsurer, broker, producer, or any agent thereof.

(C) "Person" means any natural person, company, corporation, unincorporated association, partnership, professional corporation, or other legal entity and includes any applicant, policyholder, claimant, medical providers, vocational rehabilitation provider, attorney, agent, insurer, fund, or advisory organization.

(D) "False statement and misrepresentation" means a statement or representation made by a person that is false, material, made with the person's knowledge of the falsity of the statement, and made with the intent of obtaining or causing another to obtain or attempting to obtain or causing another to obtain an undeserved economic advantage or benefit or made with the intent to deny or cause another to deny any benefit or payment in connection with an insurance transaction and such shall constitute fraud.



**§ 38-55-540. Criminal penalties for making false statement or misrepresentation, or assisting, abetting, soliciting or conspiring to do so; restitution to victims.**

Any person or insurer who makes a false statement or misrepresentation, and any other person knowingly, with an intent to injure, defraud, or deceive, who assists, abets, solicits, or conspires with such person or insurer to make a false statement or misrepresentation, is guilty of a:

(1) misdemeanor, for a first offense violation, if the amount of the economic advantage benefit received is less than one thousand dollars. Upon conviction, the person must be punished by a fine not to exceed five hundred dollars or by imprisonment not to exceed thirty days;

(2) misdemeanor, for a first offense violation, if the amount of the economic advantage benefit received is one thousand dollars or more. Upon conviction, the person must be punished by a fine not to exceed fifty thousand dollars or by imprisonment for a term not to exceed three years, or by both such fine and imprisonment;

(3) felony, for a second or subsequent violation, regardless of the amount of the economic advantage benefit received. Upon conviction, the person must be punished by a fine not to exceed fifty thousand dollars or by imprisonment for a term not to exceed ten years, or by both such fine and imprisonment.

Any person or insurer convicted under this section must be ordered to make full restitution to the victim or victims for any economic advantage or benefit which has been obtained by the person or insurer as a result of that violation.

**§ 38-55-170. Presenting false claims for payment.**

A person who knowingly causes to be presented a false claim for payment to an insurer transacting business in this State, to a health maintenance organization transacting business in this State, or to any person, including the State of South Carolina, providing benefits for health care in this State, whether these benefits are administered directly or through a third person, or who knowingly assists, solicits, or conspires with another to present a false claim for payment as described above, is guilty of a:

(1) felony if the amount of the claim is five thousand dollars or more. Upon conviction, the person must be imprisoned not more than ten years or fined not more than five thousand dollars, or both;

(2) felony if the amount of the claim is more than one thousand dollars but less than five thousand dollars. Upon conviction, the person must be fined in the discretion of the court or imprisoned not more than five years, or both;

(3) misdemeanor triable in magistrate's court if the amount of the claim is one thousand dollars or less. Upon conviction, the person must be fined or imprisoned not more than is permitted by law without presentment or indictment by the grand jury.

**§ 38-55-550. Civil penalties for violations of article; costs; payment; use of revenues; Attorney General to assist Insurance Fraud Division; consent agreements.**

(A) In addition to any criminal liability, any person who is found by a court of competent jurisdiction to have violated any provision of this article, including Section 38-55-170, is subject to a civil penalty for each violation as follows:

- (1) for a first offense, a fine not to exceed five thousand dollars;
- (2) for a second offense, a fine of not less than five thousand dollars but not to exceed ten thousand dollars;
- (3) for a third and subsequent offense, a fine of not less than ten thousand dollars but not to exceed fifteen thousand dollars.

(B) The civil penalty must be paid to the director of the Insurance Fraud Division to be used in accordance with subsection (D) of this section. The court may also award court costs and reasonable attorneys' fees to the director. When requested by the director, the Attorney General may assign one or more deputies attorneys general to assist the bureau in any civil court proceedings against the person.

(C) Nothing in subsections (A) and (B) shall be construed to prohibit the director of the Insurance Fraud Division and the person alleged to be guilty of a violation of this article from entering into a written agreement in which the person does not admit or deny the charges but consents to payment of the civil penalty. A consent agreement may not be used in a subsequent civil or criminal proceeding relating to any violation of this article.

(D) All revenues from the civil penalties imposed pursuant to this section must be used to provide funds for the costs of enforcing and administering the provisions of this article.



### **§ 39-5-170. Vehicle glass repair business; unlawful practices.**

It is an unfair trade practice and unlawful for a person who is acting on behalf of or engaged in a vehicle glass repair business to offer or make a payment or transfer money or other consideration to:

(1) a third person for the third person's referral of an insurance claimant to the vehicle glass repair business for the repair or replacement of vehicle safety glass;

(2) an insurance claimant in connection with the repair or replacement of vehicle safety glass; or

(3) waive, rebate, give, or pay all or part of an insurance claimant's casualty or property insurance deductible as consideration for selecting the vehicle glass repair business.

### **§ 38-55-173. Unlawful vehicle glass repair business practices; penalties.**

(A) A person who is acting on behalf of or engaged in a vehicle glass repair business is guilty of a misdemeanor if the person offers or makes a payment or transfer of money or other consideration to:

(1) a third person for the third person's referral of an insurance claimant to the vehicle glass repair business for the repair or replacement of vehicle safety glass;

(2) an insurance claimant in connection with the repair or replacement of vehicle safety glass; or

(3) waive, rebate, give, or pay all or part of an insurance claimant's casualty or property insurance deductible as consideration for selecting the vehicle glass repair business.

(B) If the amount of the payment or transfer of subsection (A) has a value of:

(1) one thousand dollars or more, the person, upon conviction, must be fined in the discretion of the court or imprisoned for not more than three years, or both, per violation; or

(2) less than one thousand dollars, the person, upon conviction, must be fined not more than five hundred dollars or imprisoned for not more than thirty days, or both, per violation.

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